



A REPORT
TO THE
MONTANA
LEGISLATURE

FINANCIAL-COMPLIANCE AUDIT

Department of Fish, Wildlife and Parks

*For the Two Fiscal Years Ended
June 30, 2011*

OCTOBER 2011

LEGISLATIVE AUDIT
DIVISION

11-18

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FINANCIAL-COMPLIANCE AUDITS

Financial-compliance audits are conducted by the Legislative Audit Division to determine if an agency's financial operations are properly conducted, the financial reports are presented fairly, and the agency has complied with applicable laws and regulations. In performing the audit work, the audit staff uses standards set forth by the American Institute of Certified Public Accountants and the United States Government Accountability Office. Financial-compliance audit staff members hold degrees with an emphasis in accounting. Most staff members hold Certified Public Accountant (CPA) certificates.

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Angie Grove

October 2011

The Legislative Audit Committee
of the Montana State Legislature:

This is our financial-compliance audit report for the Montana Department of Fish, Wildlife and Parks for the two fiscal years ended June 30, 2011. Our report contains recommendations related to: land acquisitions, monitoring changes in state law, reporting theft, auction proceeds, and untimely deposits. The department's written response to the audit recommendations is included at the end of the report.

We thank the director and his staff for their assistance and cooperation during the audit.

Respectfully submitted,

/s/ Tori Hunthausen

Tori Hunthausen, CPA
Legislative Auditor

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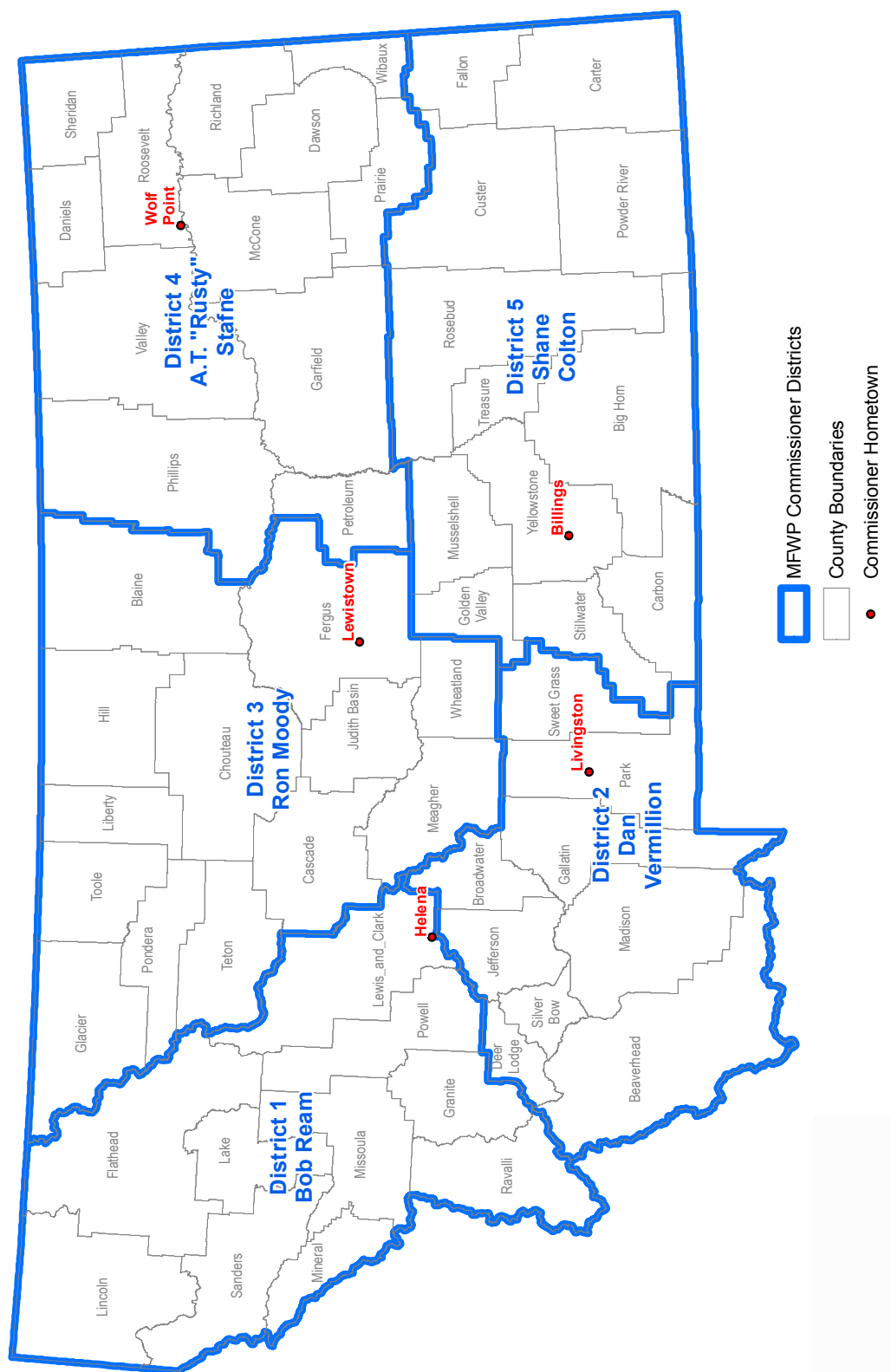
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APPOINTED AND ADMINISTRATIVE OFFICIALS

			<u>Term Expires</u>
Montana Fish, Wildlife and Parks Commission	Bob Ream, Chair	Helena	2013
	Dan Vermillion, Vice Chair	Livingston	2015
	A.T. Stafne	Poplar	2015
	Ron Moody	Lewistown	2013
	Shane Colton	Billings	2013
Administrative Officials	Joe Maurier, Director		
	Art Noonan, Deputy Director		
	Sue Daly, Administrator, Finance Division		
	Chas VanGenderen, Administrator, Parks Division		
	David Risley, Administrator, Fish and Wildlife Division		
	Ken McDonald, Chief, Wildlife Bureau		
	Bruce Rich, Chief, Fisheries Bureau		
	Jim Kropp, Chief, Enforcement Bureau		
	Ron Aasheim, Chief, Communication and Education Bureau		
	Barney Benkelman, Chief, Technology Services Bureau		
	T.O. Smith, Chief, Strategic Planning and Data Services Bureau		

For additional information concerning the Department of Fish, Wildlife and Parks, contact:

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Commissioner Contact Information

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MONTANA LEGISLATIVE AUDIT DIVISION

FINANCIAL-COMPLIANCE

Department of Fish, Wildlife and Parks For the Two Fiscal Years Ended June 30, 2011

OCTOBER 2011

11-18

REPORT SUMMARY

The department spent over \$116 million and \$112 million in fiscal years 2011 and 2010 respectively. The main sources of funding are licenses, permits, and federal awards. The department does not receive General Fund appropriations. Our audit report contains recommendations to the department regarding internal controls and compliance with state and federal laws. Recommendations relate to land acquisitions, reporting theft, monitoring changes in state law that affect the department, Big Horn Sheep auction proceeds, and untimely deposits.

Context

The department controls 320 fishing access sites and 54 state parks, issues hunting and fishing licenses, and oversees fish and wildlife preservation programs, enforcement activities, land acquisitions, and community education programs. The five-member Fish, Wildlife and Parks Commission sets fish and wildlife regulations, approves property acquisitions, and approves certain rules and activities of the department as provided by statute. Commission members are appointed by the governor and confirmed by the senate. There are seven regional offices throughout the state. The department's headquarters is in Helena.

Results

Recommendations in the report relate to land acquisitions, reporting theft, monitoring changes in state law that affect the department, Big Horn Sheep auction proceeds, and untimely deposits. The department implemented the four recommendations contained in our prior audit report.

Recommendation Concurrence	
Concur	5
Partially Concur	0
Do Not Concur	0
Source: Agency audit response included in final report.	

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Chapter I – Introduction

Introduction

We performed a financial-compliance audit of the Department of Fish, Wildlife and Parks (department) for the two fiscal years ended June 30, 2011. The objectives of the audit were to:

1. Determine whether the financial schedules present fairly the results of the department's operations and changes in fund balances and property held in trust for each of the fiscal years ended June 30, 2011, and June 30, 2010.
2. Obtain an understanding of the department's control systems to the extent necessary to support our audit of the department's financial schedules, and, if appropriate, make recommendations for improvements in the management and internal controls of the department.
3. Determine whether the department complied with selected state and federal laws and regulations.
4. Determine the status of prior audit recommendations.

Section 17-8-101(6), MCA, provides that the legislative auditor, during regularly scheduled audits of state agencies, shall audit and report on the reasonableness of internal service fund type fees and charges and on the fund equity balances. During the audit period, the Internal Service Funds at the department included the duplicating center, equipment, aircraft, and warehouse inventory funds. We determined fees were commensurate with costs. Ending fund balances, including equipment and inventory, in the Internal Service funds at June 30, 2011, are reasonable. In accordance with §5-13-307(2), MCA, we analyzed and disclosed, if significant, the costs of implementing the recommendations made in this report.

Background

The department's mission is to provide for the stewardship of the fish, wildlife, parks, and recreational resources of Montana while contributing to the quality of life for present and future generations.

The department's headquarters are located in Helena. The department maintains seven regional offices located in Kalispell, Missoula, Bozeman, Billings, Great Falls, Glasgow, and Miles City. There are also five area offices located in Libby, Havre, Lewistown, Butte, and Helena. A regional supervisor directs Fish and Wildlife programs and a regional manager oversees state parks.

The five-member Fish, Wildlife and Parks Commission sets fish and wildlife regulations, approves property acquisitions, and approves certain rules and activities

of the department as provided by statute. Commission members are appointed by the Governor and confirmed by the Senate. Statute requires representation from five geographical areas of the state.

User fees, such as hunting and fishing licenses and state park use fees, are the department's primary sources of funding. The department also receives federal funds to aid in fish and wildlife restoration efforts, parks development and maintenance, boating safety, education and regulation, and other programs.

The department was authorized 696.08 full-time equivalent (FTE) positions in fiscal year 2011 allocated to programs as noted below. The following paragraphs outline the department organization as reflected in program expenditures on the fiscal year 2011 Schedule of Total Expenditures & Transfers-Out on page A-7.

Management and Finance (63.12 FTE) – provides department-wide support for accounting, fiscal management, personnel, purchasing and property management services, federal aid administration, and licensing of hunters and anglers. It is responsible for department direction regarding policy, planning, program development, guidelines and budgets, direct interaction with the Fish, Wildlife and Parks Commission, and decision-making authority for key resource activities affecting the department. This program includes the director's office and legal services for the department.

Capital Outlay (No assigned FTE) – accounts for major repair and maintenance of the department's properties, land acquisitions, renovation and construction of facilities, and protection and enhancement of critical habitats.

Communication and Education (29.05 FTE) – is responsible for public relation functions of the department including film production and publication and distribution of the *Montana Outdoors* magazine. The division also informs the public about fish and wildlife laws, administrative rules, and policies designed to regulate outdoor recreational activities.

Enforcement (113.43 FTE) – is responsible for ensuring compliance with laws and regulations regarding fish, wildlife and parks through enforcement actions, education, and enhancing relations with landowners, recreational users, and the general public.

Fish and Wildlife Administration (48.62 FTE) – provides oversight of the Enforcement, Wildlife, Fisheries, and Communications & Education bureaus and the seven regional offices that are responsible for program implementation. The program also includes a strategic planning section to support division-wide planning needs and a data services section that is responsible for maintenance and support of biological databases and the department's website.

Fisheries (151.19 FTE) – is responsible for preserving and perpetuating all aquatic species and their ecosystems and meeting public demand for fishing opportunities and aquatic wildlife stewardship.

Parks (125.06 FTE) – is responsible for conserving the scenic, historic, archaeological, scientific, and recreational resources of certain state-owned properties, including fishing access sites, and providing for their use and enjoyment.

Wildlife (135.61 FTE) – is responsible for the department's statewide wildlife management program, which enhances the use of Montana renewable wildlife resources for public benefit. The goals of the division are to protect, regulate, and perpetuate wildlife populations with habitat management and regulated harvest; maintain and enhance wildlife habitat; and provide wildlife recreational opportunities to the public.

Information Services (30.00 FTE) – provides information management services to all department operations. These services include data network administration, hardware and software procurement, and support of automated license sales and drawings.

Prior Audit Recommendations

Our prior audit report contained four recommendations which the department implemented.

Chapter II – Findings and Recommendations

Internal Control and Compliance With Laws and Contracts

The department is subject to various state and federal laws as well as ensuring compliance with established grant and contract agreements. State law and accounting policy address requirements related to fiscal control, accountability, and compliance with laws and regulations. A properly implemented and effective internal control structure provides a mechanism to prevent or detect errors in financial records or instances of noncompliance with state and federal laws. The following sections discuss areas where the department can improve internal controls and compliance related to land acquisitions, monitoring changes in state law, reporting theft, complying with state law regarding auctions, and making timely deposits.

Land Acquisition

Established control procedures were not followed resulting in acquisition of property the department never intended to purchase.

The department purchases land and conservation easements. Combined expenditures for this activity was approximately \$46.1 million in the 2011 biennium. In 2008, the department acquired approximately 164 acres to enhance a previously established fishing access site at a cost of \$235,000. In 2010, department personnel became aware that the purchase also included septic treatment ponds for a nearby subdivision, which they never intended to acquire. Personnel completed negotiations, property analysis, and environmental reviews over a long period of time leading up to the sale and the intent was not to include the septic ponds in the land purchase. By the time the purchase was finalized, the septic ponds became part of the land acquired.

Department staff use a checklist to guide land acquisitions and to identify the completion of significant requirements. The completion of the checklist ensures land acquisition issues are appropriately addressed and required authorizations, including title reviews, are complete before finalizing land purchases. Before the sale was completed, additional land area was added but the project checklist was not updated. Personnel said that if the checklist had been updated the review would have identified the septic ponds. In addition, our review found two additional land purchase files that did not contain a completed checklist.

A supervisor indicated that the project managers in charge of various acquisitions perform a mental run-down of the checklist requirements even if there is no checklist on file. Completing and signing the checklist helps to ensure all the required work has been addressed prior to finalizing the purchase.

Current ownership leaves the department open to environmental liabilities or other undesirable situations. The department is currently in the process of negotiating the sale of this property to the affected subdivision.

RECOMMENDATION #1

We recommend the department follow established controls over land acquisitions in accordance with department policy.

Monitoring Changes in State Law

Department controls failed to detect a change in law affecting the department's eligibility for federal fish restoration funds.

Federal regulation requires language in state law to prohibit the diversion of license fees paid by fishermen for any other purpose than the administration of the department. This requirement was codified in §87-1-701, MCA. During the 2009 legislative session, amendments were enacted to modify language so state laws are gender neutral. Section 87-1-701, MCA, contained the term "fishermen." This term was removed, along with the language regarding diversion of license fees. The department's monitoring controls did not detect the change.

Although the department has procedures to review legislative changes that affect operations and compliance, the department did not monitor the legislation because they believed the changes had no potential to have a significant effect. If state law is contrary to federal provisions, the state shall become ineligible for fish restoration funds. Fiscal year 2011 expenditures for fish restoration were \$7.1 million. The department is responsible for maintaining internal control over federal programs to provide reasonable assurance they are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its federal programs.

The department contacted the United States Fish and Wildlife Service (USFWS) to notify them of the change in statute. The USFWS directed the department to request necessary changes in law during the 2013 legislative session and request the Montana Attorney General provide a document stating that statute, as amended by the 2009 Legislature, substantially complies with federal law. The department notified the USFWS that it intends to seek legislation to restore the deleted language and provided

a document from the Attorney General stating Montana continues to follow the requirements of federal law, including the prohibition against the diversion of license fees.

RECOMMENDATION #2

We recommend the department:

- A. *Monitor all legislation that affects the department.*
 - B. *Seek legislation to restore the language deleted from §87-1-701, MCA.*
-

Reporting Actual or Suspected Theft

The department can improve controls over reporting incidents of actual or suspected theft in accordance with state law and department policy.

Section 5-13-309(3), MCA, states... “The head of each state agency shall immediately notify both the attorney general and the legislative auditor in writing upon the discovery of any theft, actual or suspected, involving state money or property under that agency’s control or for which the agency is responsible.” During a random inquiry of department employees, we learned of a theft that occurred in December of 2009 involving approximately \$5,000 of sheet metal which was not reported as required. The employee noted the theft was reported to local law enforcement and an FWP supervisor. We also found that suspected theft occurred in the summer of 2010 from a park’s gift shop. In both cases, the person in charge of making the notifications required was not informed of the incidents. Therefore, they were not reported.

Department policy requires an employee having knowledge of or suspecting a theft of department property or cash, valued at any dollar amount to immediately notify his/her supervisor and, if not available, the next higher level supervisor. Supervisors are required to report to the regional directors or administrators who will refer the incident to the accounting and property management bureau at FWP headquarters within one week. The policy further provides that the accounting and property management bureau will notify the Attorney General and the Legislative Auditor. In the two cases noted above, we found there was a breakdown in communication between management with knowledge of the theft and those responsible for reporting under department policy and state law.

Department management noted that all employees are made aware of theft reporting requirements as part of new hire orientation. Periodically they remind employees of the reporting requirements. Reporting theft helps ensure investigations and subsequent prosecutions are conducted if necessary. Knowledge of thefts and the locations and nature of those crimes may help identify areas that need additional security or other actions to preserve and safeguard department property as well as file necessary insurance claims.

RECOMMENDATION #3

We recommend the department ensure actual or suspected thefts are reported as required by state law and department policy.

Auction Proceeds of Bighorn Sheep License

The department does not comply with state law regarding allowed expenses for the male mountain sheep license auction.

Section 87-2-722, MCA, allows the department to sell one male mountain sheep license each year through competitive auction. The FWP Commission may authorize a wildlife conservation organization involved in the conservation of mountain sheep to conduct the license auction. The organization may retain proceeds of the sale, not to exceed ten percent to cover reasonable auction expenses. The remaining proceeds are used by the department for management and preservation of mountain sheep.

The agreements for the fiscal year 2010 and 2011 auctions allow the organization conducting the auction to keep ten percent of auction proceeds. The organization's cost proposal identified estimated costs of about \$6,000 and an unspecified amount for personnel costs. Actual proceeds retained by the organization were \$29,000 and \$27,500 in fiscal years 2011 and 2010, respectively. The department did not obtain documentation of actual auction expenses. Since the department does not have adequate documentation of costs, they cannot determine if the organization's costs are reasonable to support the funds retained.

Personnel said that they followed the rules established by the FWP Commission that allow for a full ten percent of the auction proceeds. This is contrary to state law which requires the percent retained be based on reasonable auction costs.

RECOMMENDATION #4

We recommend the department obtain documentation to support reasonable auction expenditures up to ten percent of auction proceeds.

Untimely Deposits

The department did not comply with the state law deposit requirements.

State law in §17-6-105, MCA, requires deposits when accumulated amounts of coin and currency exceed \$200 or total collections exceed \$750 and in any case at least weekly. Department offices though out the state process deposits. In fiscal year 2011, we found untimely deposit issues at three locations.

Personnel at two locations stated their practice was to deposit once a week regardless of currency collected. Because of the activity level, weekly deposits in most cases were sufficient; however, we found instances where deposits should have been more frequent. At another location, we found only one deposit made for a week that totaled \$21, 944. In other cases, we found instances of only two or three deposits being made in a week with totals ranging from \$1,500 to \$27,000 indicating an issue of untimely deposits. An individual at that location noted there are times when understaffing contributed to not making the deposit when required. This office was burglarized in 2011 and approximately \$5,000 was stolen. After the burglary, records show daily deposits were being made.

Accounting personnel developed a quarterly tracking spreadsheet for all locations that details the number and the total dollar amount of deposits made each week. Management noted they neglected to review this spreadsheet to detect noncompliance with depositing requirements. Had the tracking sheet been reviewed more frequently, untimely deposits could have been detected and corrective action taken. By holding excess cash on hand, there is increased risk to loss of funds if a theft occurs.

RECOMMENDATION #5

We recommend the department ensure deposits are made in accordance with state law.

Independent Auditor's Report and Department Financial Schedules

LEGISLATIVE AUDIT DIVISION

Tori Hunthausen, Legislative Auditor
Deborah F. Butler, Legal Counsel



Deputy Legislative Auditors
Cindy Jorgenson
Angie Grove

INDEPENDENT AUDITOR'S REPORT

The Legislative Audit Committee
of the Montana State Legislature:

We have audited the accompanying Schedules of Changes in Fund Balances & Property Held in Trust, Schedules of Total Revenues & Transfers-In, and Schedules of Total Expenditures & Transfers-Out of the Department of the Fish, Wildlife and Parks for each of the fiscal years ended June 30, 2011, and 2010. The information contained in these financial schedules is the responsibility of the department's management. Our responsibility is to express opinions on these financial schedules based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial schedules are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial schedules. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial schedule presentation. We believe that our audit provides a reasonable basis for our opinions.

As described in note 1, these financial schedules are prepared on the basis of Montana state accounting policy, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The schedules are not intended to be a complete presentation and disclosure of the department's assets, liabilities, and cash flows.

In our opinion, the financial schedules referred to above present fairly, in all material respects, the results of operations and changes in fund balances and property held in trust of the Department of Fish, Wildlife and Parks for each of the fiscal years ended June 30, 2011, and 2010, in conformity with the basis of accounting described in note 1.

Respectfully submitted,

/s/ Cindy Jorgenson

Cindy Jorgenson, CPA
Deputy Legislative Auditor

August 4, 2011

DEPARTMENT OF FISH, WILDLIFE & PARKS
SCHEDULE OF CHANGES IN FUND BALANCES & PROPERTY HELD IN TRUST
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	General Fund	State Special Revenue Fund	Federal Special Revenue Fund	Capital Projects Fund	Enterprise Fund	Internal Service Fund	Agency Fund	Permanent Fund
FUND BALANCE: July 1, 2010	\$ 7,159	\$ 85,730,447	\$ (265,964)	\$ 293,794	\$ 290,974	\$ 6,827,145	\$ 0	\$ 36,129,794
PROPERTY HELD IN TRUST: July 1, 2010							\$ 188,341	
ADDITIONS								
Budgeted Revenues & Transfers-In		55,114,136	39,805,890		31,529	2,994,482		2,380,797
Nonbudgeted Revenues & Transfers-In		6,494,253			119,172	21		539,133
Prior Year Revenues & Transfers-In Adjustments	(508)	(640,508)	189,307		147	32		(10,867)
Direct Entries to Fund Balance		6,651,604	(831,183)					684,716
Additions to Property Held in Trust							28,026	
Total Additions	(508)	67,619,485	39,164,014	0	150,848	2,994,535	28,026	3,593,779
REDUCTIONS								
Budgeted Expenditures & Transfers-Out		67,772,398	39,001,914		141,136	2,566,180		
Nonbudgeted Expenditures & Transfers-Out		4,920,281		103,154	(13,930)	535,223		1,569,614
Prior Year Expenditures & Transfers-Out Adjustments		51,268	(47,155)		393	(19,511)		
Reductions in Property Held in Trust							18,616	
Total Reductions	0	72,743,947	38,954,759	103,154	127,599	3,081,892	18,616	1,569,614
FUND BALANCE: June 30, 2011	\$ 6,651	\$ 80,605,985	\$ (56,709)	\$ 190,640	\$ 314,223	\$ 6,739,788	\$ 0	\$ 38,153,959
PROPERTY HELD IN TRUST: June 30, 2011							\$ 197,751	

This schedule is prepared from the Statewide Accounting, Budgeting, and Human Resources System (SABHRS) without adjustment. Additional information is provided in the notes to the financial schedules beginning on page A-9.

DEPARTMENT OF FISH, WILDLIFE & PARKS
SCHEDULE OF CHANGES IN FUND BALANCES & PROPERTY HELD IN TRUST
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	General Fund	State Special Revenue Fund	Federal Special Revenue Fund	Capital Projects Fund	Enterprise Fund	Internal Service Fund	Agency Fund	Permanent Fund
FUND BALANCE: July 1, 2009	(456,293)	85,220,722	(83,911)	3,572,538	263,320	6,247,582	0	32,512,614
PROPERTY HELD IN TRUST: July 1, 2009							184,284	
ADDITIONS								
Budgeted Revenues & Transfers-In	508	59,196,023	32,809,616		27,668	3,589,394		2,211,535
Nonbudgeted Revenues & Transfers-In		6,655,451	33,030	500,000	110,896	113,500		2,246,692
Prior Year Revenues & Transfers-In Adjustments	1,000	(1,048,318)	59,443		(115)			(17,420)
Direct Entries to Fund Balance	461,890	6,694,276	(72,414)					572,606
Additions to Property Held in Trust							20,782	
Total Additions	463,398	71,497,432	32,829,675	500,000	138,449	3,702,894	20,782	5,013,413
REDUCTIONS								
Budgeted Expenditures & Transfers-Out		64,914,969	33,085,825	3,737,504	115,020	3,122,665		
Nonbudgeted Expenditures & Transfers-Out		6,141,191		(62,260)	(4,409)	3,793		1,396,233
Prior Year Expenditures & Transfers-Out Adjustments	(54)	(68,453)	(74,097)	103,500	184	(3,127)		
Reductions in Property Held in Trust							16,725	
Total Reductions	(54)	70,987,707	33,011,728	3,778,744	110,795	3,123,331	16,725	1,396,233
FUND BALANCE: June 30, 2010	7,159	85,730,447	(265,964)	293,794	290,974	6,827,145	0	36,129,794
PROPERTY HELD IN TRUST: June 30, 2010							188,341	

This schedule is prepared from the Statewide Accounting, Budgeting, and Human Resources System (SABHRS) without adjustment.
 Additional information is provided in the notes to the financial schedules beginning on page A-9.

DEPARTMENT OF FISH, WILDLIFE & PARKS
SCHEDULE OF TOTAL REVENUES & TRANSFERS-IN
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

TOTAL REVENUES & TRANSFERS-IN BY CLASS	General Fund	State Special Revenue Fund	Federal Special Revenue Fund	Enterprise Fund	Internal Service Fund	Permanent Fund	Total
Licenses and Permits							
Taxes	\$	45,862,019				\$ 578,566	\$ 46,440,585
Charges for Services		15,308		\$ 25	53		15,386
Investment Earnings		1,950,652			2,991,482		4,942,134
Fines and Forfeits		705,174		559		2,220,030	2,925,763
Sale of Documents, Merchandise and Property	\$ (508)	204,311					203,803
Rentals, Leases and Royalties		411,069		150,264			561,333
Grants, Contracts, and Donations						109,678	109,678
Transfers-in		3,259,895					3,259,895
Federal Indirect Cost Recoveries		5,339,811				789	5,340,600
Miscellaneous		3,127,099					3,127,099
Federal		92,543			3,000		95,543
Total Revenues & Transfers-In		\$ 39,995,197					39,995,197
Less: Nonbudgeted Revenues & Transfers-In	(508)	60,967,881	39,995,197	150,848	2,994,535	2,909,063	107,017,016
Prior Year Revenues & Transfers-In Adjustments		6,494,253		119,172	21	539,133	7,152,579
Actual Budgeted Revenues & Transfers-In	(508)	(640,508)	189,307	147	32	(10,867)	(462,397)
Estimated Revenues & Transfers-In	0	55,114,136	39,805,890	31,529	2,994,482	2,380,797	100,326,834
Budgeted Revenues & Transfers-In Over (Under) Estimated	\$ 0	\$ 55,007,412	\$ 39,657,463	\$ 32,000	\$ 2,997,000	\$ 2,400,000	\$ 100,093,875
		\$ 106,724	\$ 148,427	\$ (471)	\$ (2,518)	\$ (19,203)	\$ 232,959
BUDGETED REVENUES & TRANSFERS-IN OVER (UNDER) ESTIMATED BY CLASS							
Licenses and Permits							
Taxes	\$	80,975				\$ (1,452)	\$ 79,523
Charges for Services		(160)					(160)
Investment Earnings		(2,263)			(2,518)		(4,781)
Fines and Forfeits		(36,680)	\$	487		(18,314)	(54,507)
Sale of Documents, Merchandise and Property		5,487					5,487
Rentals, Leases and Royalties		7,069		(958)			6,111
Grants, Contracts, and Donations						563	563
Transfers-in		(310)				(310)	(310)
Federal Indirect Cost Recoveries		20,542					20,542
Miscellaneous		22,233					22,233
Federal		9,831					9,831
Budgeted Revenues & Transfers-In Over (Under) Estimated	\$ 0	\$ 106,724	\$ 148,427	\$ (471)	\$ (2,518)	\$ (19,203)	\$ 148,427
		\$ 106,724	\$ 148,427	\$ (471)	\$ (2,518)	\$ (19,203)	\$ 232,959

This schedule is prepared from the Statewide Accounting, Budgeting, and Human Resources System (SABHRS) without adjustment. Additional information is provided in the notes to the financial schedules beginning on page A-9.

DEPARTMENT OF FISH, WILDLIFE & PARKS
SCHEDULE OF TOTAL REVENUES & TRANSFERS-IN
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

TOTAL REVENUES & TRANSFERS-IN BY CLASS	General Fund	State Special Revenue Fund	Federal Special Revenue Fund	Capital Projects Fund	Enterprise Fund	Internal Service Fund	Permanent Fund	Total
Licenses and Permits		\$ 43,901,875					\$ 415,136	\$ 44,317,011
Taxes		183,967						183,967
Charges for Services		1,976,084				\$ 3,589,394		5,565,478
Investment Earnings		1,752,402					3,894,098	5,647,041
Fines and Forfeits	\$ 1,508	210,957		\$	541			212,465
Monetary Settlements		5,000,000						5,000,000
Capital Contributions		125,000						125,000
Sale of Documents, Merchandise and Property		452,577			137,908	40,201		630,686
Rentals, Leases and Royalties							124,287	124,287
Grants, Contracts, and Donations		2,484,168						2,484,168
Transfers-in		5,021,837		\$ 500,000		73,299	808	5,595,944
Capital Asset Sale Proceeds		29,178	33,030				6,250	68,458
Federal Indirect Cost Recoveries		3,474,679						3,474,679
Miscellaneous		190,432					228	190,660
Federal			32,869,059					32,869,059
Total Revenues & Transfers-In	1,508	64,803,156	32,902,089	500,000	138,449	3,702,894	4,440,808	106,488,903
Less: Nonbudgeted Revenues & Transfers-In		6,655,451	33,030	500,000	110,896	113,500	2,246,692	9,659,569
Prior Year Revenues & Transfers-In	1,000	(1,048,318)	59,443		(115)		(17,420)	(1,005,410)
Actual Budgeted Revenues & Transfers-In	508	59,196,023	32,809,616	0	27,668	3,589,394	2,211,536	97,834,744
Estimated Revenues & Transfers-In		59,167,261	32,426,463		29,000	3,591,500	2,196,500	97,410,724
Budgeted Revenues & Transfers-In Over (Under) Estimated	\$ 508	\$ 28,762	\$ 383,153	\$ 0	\$ (1,332)	\$ (2,106)	\$ 15,036	\$ 424,020
 BUDGETED REVENUES & TRANSFERS-IN OVER (UNDER) ESTIMATED BY CLASS								
Licenses and Permits		\$					\$	
Taxes		(14,919)					2,344	(12,575)
Charges for Services		(4,401)						(4,401)
Investment Earnings		(4,209)				(2,106)		(6,315)
Fines and Forfeits		(17,620)			491		8,214	(8,915)
Sale of Documents, Merchandise and Property		1,195						1,703
Rentals, Leases and Royalties	\$ 508	(2,398)			(1,823)		4,498	(4,221)
Grants, Contracts, and Donations								4,498
Transfers-in		(1,425)						(1,425)
Capital Asset Sale Proceeds		185						185
Federal Indirect Cost Recoveries		168					(250)	(82)
Miscellaneous		72,404						72,404
Federal		(219)					229	11
Budgeted Revenues & Transfers-In Over (Under) Estimated	\$ 508	\$ 28,762	\$ 383,153	\$ 0	\$ (1,332)	\$ (2,106)	\$ 15,036	\$ 424,020

This schedule is prepared from the Statewide Accounting, Budgeting, and Human Resources System (SABHRS) without adjustment. Additional information is provided in the notes to the financial schedules beginning on page A-9.

DEPARTMENT OF FISH,WILDLIFE & PARKS
SCHEDULE OF TOTAL EXPENDITURES & TRANSFERS-OUT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

PROGRAM (ORG) EXPENDITURES & TRANSFERS-OUT	Capital Outlay	Communication & Education Division	Enforcement Division	Field Services Division	Fish & Wildlife Admin	Fisheries Division	Information Services Division	Management & Finance	Parks Division	Wildlife Division	Total
Personal Services											
Salaries		\$ 1,481,673	\$ 5,338,074		\$ 2,240,414	\$ 7,228,719	\$ 1,624,118	\$ 2,848,224	\$ 4,922,523	\$ 6,167,864	\$ 31,851,609
Hourly Wages		607	253						1,644	214	2,718
Employee Benefits		491,182	1,922,581		819,911	2,529,893	507,469	1,001,709	1,699,905	2,046,815	11,019,465
Personal Services-Other								(1,436)			(1,436)
Total		<u>1,973,462</u>	<u>7,260,908</u>		<u>3,060,325</u>	<u>9,758,612</u>	<u>2,131,587</u>	<u>3,848,497</u>	<u>6,624,072</u>	<u>8,214,893</u>	<u>42,872,356</u>
Operating Expenses											
Other Services	\$ 418,978	561,623	167,395	\$ (4,049)	229,366	1,485,566	622,075	2,810,181	633,665	6,026,315	12,951,115
Supplies & Materials	73,410	497,034	531,403		101,559	963,203	482,366	1,442,620	537,808	1,159,691	5,789,094
Communications	1,027	124,992	165,265		92,641	132,140	467,999	361,969	144,747	231,249	1,722,029
Travel	11,331	105,024	793,200		120,796	694,727	25,415	93,460	561,070	1,151,138	3,556,161
Rent	185,103	16,902	137,851		143,986	146,843	82,929	423,197	51,619	492,184	1,680,614
Utilities	335	19,514	6,560		192,942	366,760		13,249	240,386	46,476	886,222
Repair & Maintenance	4,821	186,474	78,234		102,350	777,826	65,814	828,294	561,703	536,969	3,142,485
Other Expenses	16,035	60,598	113,193		31,286	123,170	9,005	1,813,274	104,855	141,271	2,412,687
Goods Purchased For Resale		1,978	33		950	244		81,308	116,563		201,076
Total	<u>711,040</u>	<u>1,574,139</u>	<u>1,993,134</u>	<u>(4,049)</u>	<u>1,015,876</u>	<u>4,690,479</u>	<u>1,755,603</u>	<u>7,867,552</u>	<u>2,952,416</u>	<u>9,785,293</u>	<u>32,341,483</u>
Equipment & Intangible Assets											
Equipment			164,034		36,834	187,430	10,693	11,165	219,123	60,465	689,744
Intangible Assets								(6,000)			(6,000)
Total			<u>164,034</u>		<u>36,834</u>	<u>187,430</u>	<u>10,693</u>	<u>5,165</u>	<u>219,123</u>	<u>60,465</u>	<u>683,744</u>
Capital Outlay											
Land & Interest In Land	11,384,100							15,083,083			26,467,183
Buildings	545,288										545,288
Other Improvements	5,371,086					4,478			19,050		5,394,614
Total	<u>17,300,474</u>					<u>4,478</u>		<u>15,083,083</u>	<u>19,050</u>		<u>32,407,085</u>
Grants											
From State Sources	160,270	287,436	3,000		69,341				453,112	104,657	1,077,816
From Federal Sources	1,590,882		3,000					1,120,149			2,714,031
Total	<u>1,751,152</u>	<u>287,436</u>	<u>6,000</u>		<u>69,341</u>			<u>1,120,149</u>	<u>453,112</u>	<u>104,657</u>	<u>3,791,847</u>
Benefits & Claims											
From State Sources										4,900	4,900
Total										<u>4,900</u>	<u>4,900</u>
Transfers-out											
Fund transfers							59,808	3,766,484		640,000	4,466,292
Total							<u>59,808</u>	<u>3,766,484</u>		<u>640,000</u>	<u>4,466,292</u>
Other Post Employment Benefits											
Other Post Employment Benefits								13,258			13,258
Total								<u>13,258</u>			<u>13,258</u>
Total Expenditures & Transfers-Out	\$ <u>19,762,666</u>	\$ <u>3,835,037</u>	\$ <u>9,424,076</u>	\$ <u>(4,049)</u>	\$ <u>4,182,376</u>	\$ <u>14,640,999</u>	\$ <u>3,957,691</u>	\$ <u>31,704,188</u>	\$ <u>10,267,773</u>	\$ <u>18,810,208</u>	\$ <u>116,580,965</u>
EXPENDITURES & TRANSFERS-OUT BY FUND											
State Special Revenue Fund	\$ 14,315,259	\$ 3,119,395	\$ 9,069,167	\$ (4,049)	\$ 3,631,878	\$ 5,814,915	\$ 3,957,505	\$ 10,804,180	\$ 9,797,555	\$ 12,238,142	\$ 72,743,947
Federal Special Revenue Fund	5,447,407	715,642	354,909		550,498	8,826,084	186	16,456,789	342,619	6,260,625	38,954,759
Capital Projects Fund								103,154			103,154
Enterprise Fund									127,599		127,599
Internal Service Fund								2,770,451		311,441	3,081,892
Permanent Fund								1,569,614			1,569,614
Total Expenditures & Transfers-Out	19,762,666	3,835,037	9,424,076	(4,049)	4,182,376	14,640,999	3,957,691	31,704,188	10,267,773	18,810,208	116,580,965
Less: Nonbudgeted Expenditures & Transfers-Out	668,574	102,993	36,762		25,536	857,160		4,232,818	130,853	1,059,646	7,114,342
Prior Year Expenditures & Transfers-Out Adjustments	78,331	3,881	(4,739)	(4,049)	(253)	(155,215)	2,811	41,815	32,967	(10,555)	(15,006)
Actual Budgeted Expenditures & Transfers-Out	19,015,761	3,728,163	9,392,053	0	4,157,093	13,939,054	3,954,880	27,429,555	10,103,953	17,761,117	109,481,629
Budget Authority	79,463,263	3,921,285	9,738,823		4,946,397	21,992,369	4,071,867	33,581,414	12,177,175	23,322,061	193,214,654
Unspent Budget Authority	\$ <u>60,447,502</u>	\$ <u>193,122</u>	\$ <u>346,770</u>	\$ <u>0</u>	\$ <u>789,304</u>	\$ <u>8,053,315</u>	\$ <u>116,987</u>	\$ <u>6,151,859</u>	\$ <u>2,073,222</u>	\$ <u>5,560,944</u>	\$ <u>83,733,025</u>
UNSPENT BUDGET AUTHORITY BY FUND											
State Special Revenue Fund	\$ 38,397,410	\$ 172,430	\$ 310,012		\$ 89,941	\$ 1,495,517	\$ 106,959	\$ 1,062,703	\$ 2,031,075	\$ 3,140,346	\$ 46,806,393
Federal Special Revenue Fund	21,529,667	20,692	36,758		699,363	6,557,798	10,028	4,071,257	5,287	2,317,648	35,248,498
Capital Projects Fund	520,425										520,425
Enterprise Fund									36,860		36,860
Internal Service Fund								1,017,899		102,950	1,120,849
Unspent Budget Authority	\$ <u>60,447,502</u>	\$ <u>193,122</u>	\$ <u>346,770</u>	\$ <u>0</u>	\$ <u>789,304</u>	\$ <u>8,053,315</u>	\$ <u>116,987</u>	\$ <u>6,151,859</u>	\$ <u>2,073,222</u>	\$ <u>5,560,944</u>	\$ <u>83,733,025</u>

This schedule is prepared from the Statewide Accounting, Budgeting, and Human Resources System (SABHRS) without adjustment. Additional information is provided in the notes to the financial schedules beginning on page A-9.

DEPARTMENT OF FISH,WILDLIFE & PARKS
SCHEDULE OF TOTAL EXPENDITURES & TRANSFERS-OUT
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Capital Outlay	Communcation & Education Division	Enforcement Division	Field Service Division	Fish & Wildlife Admin	Fisheries Division	Information Services Division	Management & Finance	Parks Division	Wildlife Division	Total
PROGRAM (ORG) EXPENDITURES & TRANSFERS-OUT											
Personal Services											
Salaries		\$ 1,440,974	\$ 5,434,119		\$ 2,004,481	\$ 7,418,437	\$ 1,559,248	\$ 2,810,539	\$ 4,817,173	\$ 6,381,257	\$ 31,866,228
Hourly Wages			8,962					168	1,069		10,199
Employee Benefits		460,404	1,866,151		782,347	2,492,035	476,478	976,518	1,643,728	1,951,691	10,649,352
Personal Services-Other								2,287			2,287
Total		<u>1,901,378</u>	<u>7,309,232</u>		<u>2,786,828</u>	<u>9,910,472</u>	<u>2,035,726</u>	<u>3,789,512</u>	<u>6,461,970</u>	<u>8,332,948</u>	<u>42,528,066</u>
Operating Expenses											
Other Services	\$ 1,354,597	559,872	163,879	\$ (3,275)	198,163	2,144,495	531,265	3,175,816	720,663	7,367,049	16,212,524
Supplies & Materials	105,200	380,016	549,237	176	176,841	1,378,528	638,483	1,426,544	517,451	1,270,928	6,443,404
Communications	494	192,935	191,105		97,407	173,037	437,613	388,273	144,848	254,978	1,880,690
Travel	20,993	112,804	959,763	149	148,677	956,910	27,650	102,468	647,347	1,377,374	4,354,135
Rent	175,136	18,654	51,615	748	134,523	191,318	79,813	449,432	88,170	387,878	1,577,287
Utilities	692	9,913	7,304		181,251	459,452		13,541	218,697	50,990	941,840
Repair & Maintenance	3,999	57,104	100,951	1	107,150	801,842	90,866	737,551	877,973	436,046	3,213,483
Other Expenses	60,167	56,994	122,231	73	29,099	143,217	88,579	1,906,681	78,111	119,818	2,604,970
Goods Purchased For Resale		145			171	311		93,336	94,444	260	188,667
Total	<u>1,721,278</u>	<u>1,388,437</u>	<u>2,146,085</u>	<u>(2,128)</u>	<u>1,073,282</u>	<u>6,249,110</u>	<u>1,894,269</u>	<u>8,293,642</u>	<u>3,387,704</u>	<u>11,265,321</u>	<u>37,417,000</u>
Equipment & Intangible Assets											
Equipment			78,825		9,316	375,919	53,241	(3,574)	342,855	46,090	902,672
Intangible Assets			7,552			1,739		6,000	3,629		18,920
Total			<u>86,377</u>		<u>9,316</u>	<u>377,658</u>	<u>53,241</u>	<u>2,426</u>	<u>346,484</u>	<u>46,090</u>	<u>921,592</u>
Capital Outlay											
Land & Interest In Land	19,125,515							613,500			19,739,015
Buildings	815,115										815,115
Other Improvements	4,310,258					13,255				665	4,324,178
Total	<u>24,250,888</u>					<u>13,255</u>		<u>613,500</u>		<u>665</u>	<u>24,878,308</u>
Grants											
From State Sources	142,691	218,624	7,800		69,343				421,437	135,389	995,284
From Federal Sources	1,347,801		7,800								1,355,601
Total	<u>1,490,492</u>	<u>218,624</u>	<u>15,600</u>		<u>69,343</u>				<u>421,437</u>	<u>135,389</u>	<u>2,350,885</u>
Benefits & Claims											
From State Sources										4,823	4,823
Total										<u>4,823</u>	<u>4,823</u>
Transfers-out											
Fund transfers								3,388,874	467,440	439,245	4,295,559
Total								<u>3,388,874</u>	<u>467,440</u>	<u>439,245</u>	<u>4,295,559</u>
Other Post Employment Benefits											
Other Post Employment Benefits								12,251			12,251
Total								<u>12,251</u>			<u>12,251</u>
Total Expenditures & Transfers-Out	\$ <u>27,462,658</u>	\$ <u>3,508,439</u>	\$ <u>9,557,294</u>	\$ <u>(2,128)</u>	\$ <u>3,938,769</u>	\$ <u>16,550,495</u>	\$ <u>3,983,236</u>	\$ <u>16,100,205</u>	\$ <u>11,085,035</u>	\$ <u>20,224,481</u>	\$ <u>112,408,484</u>
EXPENDITURES & TRANSFERS-OUT BY FUND											
General Fund						(54)					(54)
State Special Revenue Fund	\$ 9,630,153	\$ 2,802,741	\$ 9,191,778	\$ (2,853)	\$ 3,508,313	\$ 6,799,634	\$ 3,972,543	\$ 10,962,561	\$ 10,638,716	\$ 13,484,121	\$ 70,987,707
Federal Special Revenue Fund	14,095,002	705,698	365,516		430,456	9,750,915	10,693	867,387	335,524	6,450,537	33,011,728
Capital Projects Fund	3,737,503							41,241			3,778,744
Enterprise Fund									110,795		110,795
Internal Service Fund				725				2,832,783		289,823	3,123,331
Permanent Fund								1,396,233			1,396,233
Total Expenditures & Transfers-Out	<u>27,462,658</u>	<u>3,508,439</u>	<u>9,557,294</u>	<u>(2,128)</u>	<u>3,938,769</u>	<u>16,550,495</u>	<u>3,983,236</u>	<u>16,100,205</u>	<u>11,085,035</u>	<u>20,224,481</u>	<u>112,408,484</u>
Less: Nonbudgeted Expenditures & Transfers-Out	1,785,452	74,000	23,992		24,463	824,845		3,334,928	544,012	862,857	7,474,549
Prior Year Expenditures & Transfers-Out Adjustments		(105,673)	(2,064)	(2,128)		(48,703)	3,261	(7,922)	112,579	8,603	(42,047)
Actual Budgeted Expenditures & Transfers-Out	<u>25,677,206</u>	<u>3,540,112</u>	<u>9,535,366</u>	<u>0</u>	<u>3,914,306</u>	<u>15,774,353</u>	<u>3,979,975</u>	<u>12,773,199</u>	<u>10,428,444</u>	<u>19,353,021</u>	<u>104,975,982</u>
Budget Authority	65,976,475	3,678,763	9,650,484		4,442,568	22,352,015	4,019,306	29,221,722	12,172,351	22,825,005	174,338,689
Unspent Budget Authority	\$ <u>40,299,269</u>	\$ <u>138,651</u>	\$ <u>115,118</u>	\$ <u>0</u>	\$ <u>528,262</u>	\$ <u>6,577,662</u>	\$ <u>39,331</u>	\$ <u>16,448,523</u>	\$ <u>1,743,907</u>	\$ <u>3,471,984</u>	\$ <u>69,362,707</u>
UNSPENT BUDGET AUTHORITY BY FUND											
State Special Revenue Fund	\$ 30,560,026	\$ 115,597	\$ 95,025		\$ 10,926	\$ 413,076	\$ 38,872	\$ 1,346,513	\$ 1,694,831	\$ 1,208,749	\$ 35,483,615
Federal Special Revenue Fund	9,218,818	23,054	20,093		517,336	6,164,586	459	14,689,106	42,683	2,142,160	32,818,295
Capital Projects Fund	520,425										520,425
Enterprise Fund									6,393		6,393
Internal Service Fund				\$				412,904		121,075	533,979
Unspent Budget Authority	\$ <u>40,299,269</u>	\$ <u>138,651</u>	\$ <u>115,118</u>	\$ <u>0</u>	\$ <u>528,262</u>	\$ <u>6,577,662</u>	\$ <u>39,331</u>	\$ <u>16,448,523</u>	\$ <u>1,743,907</u>	\$ <u>3,471,984</u>	\$ <u>69,362,707</u>

This schedule is prepared from the Statewide Accounting, Budgeting, and Human Resources System (SABHRS) without adjustment. Additional information is provided in the notes to the financial schedules beginning on page A-9.

Montana Department of Fish, Wildlife and Parks

Notes to the Financial Schedules

For the Two Fiscal Years Ended June 30, 2011

1. Summary of Significant Accounting Policies

Basis of Accounting

The department uses the modified accrual basis of accounting, as defined by state accounting policy, for its Governmental fund category (General, State Special Revenue, Federal Special Revenue, Capital Projects, and Permanent) and certain liabilities of defined benefit pension plans and certain post employment healthcare plans. In applying the modified accrual basis, the department records:

- ♦ Revenues when it receives cash or when receipts are realizable, measurable, earned, and available to pay current period liabilities.
- ♦ Expenditures for valid obligations when the department incurs the related liability and it is measurable, with the exception of the cost of employees' annual and sick leave. State accounting policy requires the department to record the cost of employees' annual and sick leave when used or paid.

The department uses accrual basis accounting for its Proprietary (Enterprise and Internal Service) and Fiduciary (Agency) fund categories. Under the accrual basis, as defined by state accounting policy, the department records revenues in the accounting period when realizable, measurable, and earned, and records expenses in the period incurred when measurable.

Expenditures and expenses may include: entire budgeted service contracts even though the department receives the services in a subsequent fiscal year; goods ordered with a purchase order before fiscal year-end, but not received as of fiscal year-end; and equipment ordered with a purchase order before fiscal year-end.

Basis of Presentation

The financial schedule format was adopted by the Legislative Audit Committee. The financial schedules are prepared from the transactions posted to the state's accounting system without adjustment. The department uses the following funds:

Governmental Fund Category

- ♦ **General Fund**—to account for all financial resources except those required to be accounted for in another fund.
- ♦ **State Special Revenue Fund**—to account for proceeds of specific revenue sources (other than private-purpose trusts or major capital projects) that

are legally restricted to expenditures for specific state program purposes. Department State Special Revenue Funds include revenue from licenses and permits, private grants, donations, and wildlife/fisheries mitigation funds.

- ♦ **Federal Special Revenue Fund**—to account for activities funded from federal revenue sources. Department Federal Special Revenue Funds include sport fish & wildlife restoration, parks development, boating safety, education and regulation.
- ♦ **Capital Projects Fund**—to account for financial resources used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds or trust funds. The department uses this fund for projects administered by the Department of Administration's Architecture and Engineering Division. The department also accounts for some activities related to land acquisition, leasing, easement purchases, or development agreements in the capital projects fund.
- ♦ **Permanent Fund**—to account for financial resources that are permanently restricted to the extent that only earnings, but not principal, may be used for purposes that support the department's programs. The department uses this fund to account for revenue from the sale or lease of department lands, the department's share of the state coal severance tax, and a percentage of certain licenses and permits. The interest earnings are transferred to the state special revenue fund as prescribed by state law to operate, develop or maintain real property of the department, acquire and manage parks, and develop and maintain wildlife habitat.

Proprietary Fund Category

- ♦ **Internal Service Fund**—to account for the financing of goods or services provided by one department or agency to other departments or agencies of state government or to other governmental entities on a cost-reimbursement basis. Department Internal Service Funds include duplication services, department owned vehicles, aircraft, and warehouse inventory items.
- ♦ **Enterprise Fund**—to account for operations (a) financed and operated in a manner similar to private business enterprises, where the Legislature intends that the department finance or recover costs primarily through user charges; (b) where the Legislature has decided that periodic determination of revenues earned, expenses incurred or net income is appropriate; (c) where the activity is financed solely by a pledge of the net revenues from fees and charges of the activity; or (d) when laws or regulations require that the activities' cost of providing services, including capital costs, be recovered with fees and charges rather than with taxes or similar revenues. The department's enterprise fund is the Visitor's Services Fund. This fund accounts for obtaining and selling educational, commemorative and interpretive merchandise at various sites throughout the state.

Fiduciary Fund Category

- ♦ **Agency Fund**—to account for resources held by the state in a custodial capacity. Agency funds may be used on a limited basis for internal (to the State) clearing account activity but these must have a zero balance at fiscal year-end. The department's agency fund accounts for license agent bonds and collections due to a tribe for licenses sold on their behalf.

2. General Fund Balance

The department has authority to pay obligations from the statewide General Fund within its appropriation limits. The department's total assets placed in the fund exceed outstanding liabilities, resulting in positive ending General Fund balances for the two fiscal years ending June 30, 2011. These balances reflect the results of the activity of the department and not the fund balance of the statewide General Fund.

3. Direct Entries to Fund Balance

Direct entries to fund balances in the General, State Special Revenue, Federal Special Revenue, and Permanent funds include entries generated by SABHRS to reflect the flow of resources within individual funds shared by separate agencies.

4. Unspent Budget Authority

The Capital Outlay program had unspent budget authority of \$60.4 million and \$40.2 million at June 30, 2011 and June 30, 2010, respectively. Capital projects are approved by each Legislature and can take several years to complete. Budgetary authority carries over each fiscal year until the projects are finished and any remaining authority is then reverted.

The Management & Finance program had unspent budget authority of \$16.4 million at June 30, 2010. Approximately \$13 million of this excess was for a federal Habitat Conservation Program grant to acquire conservation easements and fee titles in Region 2 to protect native fish habitat.

DEPARTMENT OF FISH,
WILDLIFE AND PARKS

DEPARTMENT RESPONSE



Montana Fish, Wildlife & Parks

B-1

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Ref: DO227-11
September 30, 2011

Tori Hunthausen, Legislative Auditor
Legislative Audit Division
State Capitol
Helena, MT 59620

RECEIVED

OCT 03 2011

LEGISLATIVE AUDIT DIV.

Dear Ms. Hunthausen:

The Department of Fish, Wildlife & Parks (FWP) has reviewed the FY2010 and FY2011 financial compliance audit prepared for our agency. We appreciate the opportunity to respond to your findings and the professional manner in which the audit was conducted.

We have prepared the following responses to the five recommendations made by your office. We concur with each of your recommendations and have stated our plan to implement corrective actions. We will also be submitting our corrective action plan to the OBPP that contains our proposed timetable.

Recommendation #1

We recommend the department follow established controls over land acquisitions in accordance with department policy.

Concur. The department will implement additional controls over land acquisitions and will remind staff of the importance of following all established controls.

Recommendation #2

We recommend the department:

- A. Monitor all legislation that affects the department; and**
- B. Seek legislation to restore the language deleted from Sec. 87-1-701, MCA.**

Concur. The department will seek legislation in the next legislative session to restore the language deleted from Sec. 87-1-701 MCA and will continue to monitor all legislation that affects the department.

Recommendation #3

We recommend the department ensure actual or suspected thefts are reported as required by state law and department policy.

Concur. The department will continue to remind both new and existing employees about the department's theft policy.

Recommendation #4

We recommend the department obtain documentation to support reasonable auction expenditures up to ten per cent of auction proceeds.

Concur The department will clarify in the contracts signed with wildlife conservation organizations that the organizations may only retain proceeds of the sale for reasonable auction expenses up to ten per cent of auction proceeds.

Recommendation #5

We recommend the department ensure deposits are made in accordance with state law.

Concur. The department will continue to educate the regional headquarters and area offices of the importance of timely deposits. Our accounting section will also monitor their compliance.

We appreciate the opportunity to work with your staff to improve the financial management of our agency. If you have any questions, please contact me.

Sincerely,


Joe Maurier
Director